

ONTARIO PUBLIC SCHOOL BOARDS' ASSOCIATION

**OPSBA CONSULTATION
REPORT #II**

**BACKGROUND REPORT:
NEW REALITIES
AFFECTING EDUCATION**

May 1992



ONTARIO PUBLIC SCHOOL BOARDS' ASSOCIATION

The ONTARIO PUBLIC SCHOOL BOARDS' ASSOCIATION represents over 90 public boards of education from all regions of the province, serving over 1,700,000 students and adult learners. OPSBA speaks for public education in Ontario and represents the interest of the public school trustees to the government, the public and the media.

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This brief was prepared by the Policy Committee.

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BACKGROUND REPORT II: NEW REALITIES AFFECTING EDUCATION

The second OPSBA report in its consultation report series is a background document on the economic, social, legal, and political issues affecting education. The report provides a public policy and political context for the discussions regarding education finance and governance.

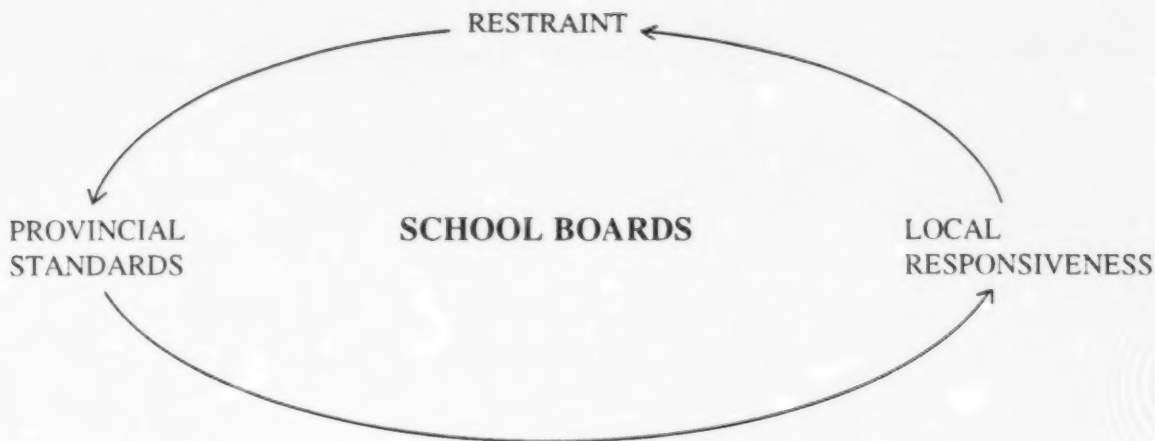
I. INTRODUCTION

The OPSBA Discussion Guide "Our Education System: Its Future Responsibilities and Finance" provided a full description of the pressures on our education system. It is recognized that there has been fundamental change in our elementary and secondary education system over the past ten years. Local school boards as the first line of contact in our communities have had to react to new community expectations. The Association in its previous discussion document described some of these pressures:

- demographic change: population growth and changing family;
- composition;
- immigration ;
- child poverty and the need for family support services;
- public attitudes towards education and school boards;
- legal and constitutional challenges affecting education delivery;
- technological change and economic restructuring;
- environmental awareness;
- political trends, such as community empowerment;
- tax revolt;
- limited government revenues and competition for these limited funds.

At this point we will not repeat the full context of the pressures on our public education system, as identified in the OPSBA Discussion Guide. However since our first look at the social and political environment the situation has not remained static. In the past ten months there have been new developments that will affect the development of education public policy.

OPSBA notes that education and school boards are at a "turning point". The future is uncertain. Can the new "consumer demands" for a more responsive and accountable education system be met? The provincial goals of equity or standards in the delivery of education will cause additional pressures. The current economic climate and fiscal restraint will add to the impetus to restructure education delivery. The following diagram illustrates the pressures on public school boards:



OPSBA is aware that we are in the process of managing change and we are confident that our member boards can manage change. The following update on the pressures that are producing change provides useful background information for public school boards for their participation in the education policy and funding review processes.

II. THE NEW REALITIES

A. Economic Renewal

The Province of Ontario is facing many challenges; the foremost being economic restructuring. There are social and fiscal problems related to the recession. The provincial deficit will likely be higher than first stated in the Provincial 1992 budget of last spring due to extreme revenue loss and expenditure increases. Social assistance caseloads have risen dramatically with about one million people receiving support. The cost has more than doubled in the last two fiscal years, from \$2.6 billion in 1989-90 to \$5.3 billion in 1991-92. In terms of job loss, the recession is the worst one since the 1930's, with the unemployment rate over 10 percent. Unemployment has affected "prime-age" workers and families.

In addition to the social costs, Ontario Economic Outlook states that "the Ontario economy is undergoing major structural adjustments, many which have been accelerated by the recession".¹ Ontario has been particularly hard hit due to its reliance on trade, and increased globalization and competitiveness.

¹Ontario Ministry of Treasury and Economics, Ontario Economic Outlook: Meeting the Challenge, November 1991, page 2.

Therefore the number one stated priority of the Government of Ontario is economic renewal.

The provincial government has defined this as "restructuring our industries to achieve high levels of employment in well-paying, high value-added jobs." The platform for economic renewal has been stated as the promotion of government/business and industry partnerships in training, assistance to business and individuals in adjusting to change, and labour reforms.

In terms of education, the focus is now on job training programs and "developing a culture of life-long learning."

"Most importantly, the quality and flexibility of the labour force must be improved, through better education and training, and the development of a culture that values education and training as a continuing life-long process."²

The Proposed Ontario Training and Adjustment Boards

The government is currently in the process of establishing training and adjustment boards at both the provincial and local levels. A new provincial body, the Ontario Training and Adjustment Board will be an independent agency of business, labour, educators/trainers, and social action groups. It will have the financial and administrative control of Ontario's publicly funded training and labour force development programs and will have the responsibility for:

- workplace and sectoral training
- apprenticeship programs
- labour force adjustment
- labour force entry/re-entry

As well the federal and provincial governments have proposed a network of twenty-two local training boards with the mandate of local planning and coordination of training programs. It is suggested that these local boards be comprised primarily of business and labour, social group representation, but unfortunately with nominal education and training representation.

OPSBA has, since the announcement of the OTAB proposal, been actively promoting recognition of public education as one of the major players in labour force development. There is recognition of the need to coordinate and plan education, training, and re-training programs. The Association has stated its support in principle for the establishment of both the provincial and local training and adjustment boards. The school system has a vital role to play in encouraging and facilitating lifelong learning and does

²Ibid, page 3

provide the necessary foundation skills for successful labour force entry and re-entry. OPSBA has stated its concerns regarding the lack of adequate representation of school boards on the provincial board and on the local boards, given the current and future involvement of the education system.

In addition to the above concerns, public school boards should be aware that the focus on job training and skills development will increase the competition for government funding for "education". The new provincial agency for adult re-training, OTAB, must be considered in the context of the future role of school boards in the delivery of programs for students of all ages. The emphasis on life-long learning skills will impact our education system in terms of possible new objectives for education and in preparing all students to be "productive" members of society.

B. Fiscal Restraint

Public school boards are grappling with the implications of the provincial government's fiscal restraint program. The 1992-1994 transfer payments to education will be limited to 1, 2 and 2 percent for each year. In addition to limited provincial funding, many public school boards will be required, next year, to bring in new programs. New initiatives to begin in 1993 are the integration of special education into the "community" classroom and "de-streaming" of grade nine. In 1994 all school boards will have to offer junior kindergarten programs.

Many school boards have already "down-sized". There is little room for further reductions without significant structural changes in the methods in delivery of some education programs and services. Many public school boards are already investigating "creative" solutions. Some of this innovation will likely involve: employer-employee cooperation, shared program delivery with coterminous or neighbouring school boards, joint delivery of programs or sharing of facilities with local municipalities and other local community agencies.

As the above innovations will not likely provide immediate or significant relief in this school board fiscal year, property taxes will increase well above the rate of inflation to compensate for provincial decisions regarding transfer payments to education. The Ministry of Education data notes that the global property tax contribution to education for the basic per pupil grant will increase by 12 percent over last year. Therefore elected school trustees have faced difficult budgeting decisions in 1992. It is likely that some programs will be cut back. It is likely that property taxes will increase significantly. It is likely that there will be labour tensions as school trustees begin their negotiations for 1992-1993.

All of the above will impact the current provincial-school board

relationship. The political context for education finance reform is a highly charged one.

C. A Constitutional Update

The OPSBA Discussion Guide highlighted that the Canadian Charter of Rights and Freedoms has created new challenges for the education system.

Private School Funding

The most recent challenge, related to "equality" rights has been filed by the Canadian Jewish Congress. The challenge under Sections 24 (1) and 52 of the Canadian Charter of Rights and Freedoms states that the non-funding of Jewish day school education in Ontario is unconstitutional, on the basis that funding is provided to Roman Catholic separate schools and to public schools. Their statement requests the Province of Ontario, under the "equality" provisions of the Charter, to fund private schools for the secular portion of education, either by means of a per pupil grant or a system based on student population. As well the challenge involves equal access to school health support services.

Although the Provinces of Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia all provide a per pupil grant to inspected private schools that comply with government approved curriculum guidelines, public school boards in Ontario have strong concerns regarding the extension of public funding to private education. OPSBA and the Metropolitan Toronto Board of Education are currently involved as parties to the above court case. OPSBA strongly supports the principle that the priority in funding must be the public system, as being available to all students regardless of gender, race, religion, ethnic origin, disability, or place of residence. Support to public education which recognizes individual worth and diversity, is a societal benefit. The additional demands of providing public support to private education in times of limited dollars, will detract from the public education system and from the broader social goals that this system serves.

French-Language Governance

Since our last review of the constitutional issues, the Report of the Advisory Committee on French-Language Governance was filed with the Ministry of Education (Cousineau Report). The report recommended equity in funding, by pooling the industrial and commercial property tax base and redistributing the funds to finance regional french-language school boards. The provincial government has not yet stated its intentions regarding recommendations for the expansion of french-language school boards.

OPSBA has registered with the provincial government, its opposition to the further duplication of school board governance. OPSBA has stated that prior to implementing any additional governance structures for the provision of minority language education, the government should undertake an in-depth analysis of the actual costs of such structures and the sources of financial support. The examination of additional school board governance structures must take place in the context of the provincial review of education finance. OPSBA supports the examination of "confederated" school boards. It is suggested that in some areas of the province, cooperating school boards should be allowed to develop a new confederated model of education governance, which would guarantee the Constitutional rights for separate and minority language education.

Native Education

Native education in Ontario is also in the process of change. As an offshoot of Canadian Constitutional discussions, native self-governance will become an issue for the education community. The Declaration of Political Intent of December 1985 gave the Ontario First Nations the framework to "design control and execute their formal education processes." Discussions on native trustee representation of school boards, and specific curriculum issues such as native language programs are in process.

It is essential that school boards with a significant native enrolment be consulted and involved in a meaningful manner in any discussions on native education and native education governance.

D. Public Opinion

Government Duplication

There is a mounting popular and financial pressure for less duplication and governance. A prime target is the proliferation of school boards: public, french public, separate, and french separate. The challenge will be to develop an education finance and governance system that guarantees universal accessibility, and that also guarantees the Constitutional rights for separate school education and for minority language education.

The discussion of "over-governance" has also extended to some of the overlap in responsibilities between the Province and local governments, and the overlap between municipal councils and school boards. The current system of local government is complex: regional/county municipalities, area municipalities, special purpose boards, school boards (at times four elected school boards in one jurisdiction). If an objective is to enhance the political accountability of local and provincial government, then a reduction in duplication at the local and provincial level would do much to promote public understanding of whom to hold accountable for their

tax dollars. But, the need to reduce government does not mean government which is further removed from and more distant from the ordinary citizen.

Who Should Pay for Education?

A key question of the Fair Tax Commission's mandate is whether the property tax should in fact finance education. A recent survey of the Institute for Social Research at York University concluded that of the 1,000 surveyed, 88 percent stated that a combination of property and provincial taxes should finance our education system. This was found to be the opinion of those in Metro Toronto and elsewhere, the rich and poor, the young and old, those with children in school and those who did not, and of public and separate school supporters.

E. Education and Social Programs

The social service system of this province has been under review in a variety of arenas. One of the conclusions reached is that the social service system has become so large and so complex that it can no longer be managed in the same way that it was in the past. There must be a "reorganization" of some of the major social programs such as: child care, children's services, income maintenance, homes for the aged and community support for seniors and the disabled, and a variety of other community-based support programs.

"Redirection of Long-term Care and Support Services in Ontario"

In 1991 the Ministries of Community and Social Services and Health released a consultation paper on the Redirection of Long-Term Care and Support Services in Ontario. The strategies outlined in this paper propose an integration of health and social services for persons with disabilities and for seniors. The emphasis is on family support and community living to ensure that the elderly and people with disabilities remain in their homes and community as long as possible. The integration of health and social services will permit better coordination of the long-term care programs, promote a more efficient and effective use of resources, and hopefully result in a more responsive service for the users.

What does this mean to education, if anything? It could have long-term implications. This is a "devolution" of a community-based program to the local level, currently to decentralized offices of an amalgamated Ministry, Health and Community and Social Services. The potential is there for further devolution to a local government.

"Children First: Report of the Advisory Committee on Children's Services"

This 1990 report remains of interest as it raises fundamental questions not only about coordination of education with social service and health support programs, but also because it raises the issue of government roles and responsibilities and local governance. The Children's Services Advisory Committee recommended that there be a single children's services authority at the provincial government. It also recommended that at the local level, there should be children's services authorities, accountable to the community for the planning and management of all services to children, including family support, social and health support and education.

The Provincial government has not officially responded to the 1990 report. An interministerial committee of Assistant Deputy Ministers from the five affected ministries currently functions to address the recommendations and proposals of the Children First report.

"Child care Reform: Setting the Stage"

Setting the Stage was released for public consultation by the Minister of Community and Social Services in mid-February. The report states that there will be a child care system established in the Province. It will be guided by these principles: high quality, affordable, accessible, and soundly managed. The reform also suggests the devolution of the management/governance of the child care system to either elected school boards or to municipalities. Other alternatives suggested are either a new local health and social services board or a new provincially appointed child care board at the community level.

The provincial document highlights the need for linkages between child care and other services such as education. The relationship between early childhood education and the new child care system must be clarified.

OPSBA is in the process of developing a response to Setting the Stage. As well Consultation Report # IV: The Future Responsibilities of our Education System will comment on the role of school boards for child care and its coordination with the school program.

F. The Political Agenda

The Ontario Public School Boards' Association has concluded that the education reform exercise is driven by the political and policy agenda of the Government of Ontario, some of which is noted in the above section on social programs. This outline of government policy initiatives provides further evidence of the effect of this broader public policy environment on education.

The Agenda for "Social Justice"

Although not presented in a single government policy statement, a social "justice" agenda is evolving. Education is a prime component. The Minister of Education has stated that the "restructuring" of education will proceed:

"-- the Ministry is committed to making fundamental changes in elementary and secondary education. Known as the restructuring initiatives, the changes in learning programs are aimed at redesigning the whole elementary and secondary education system in Ontario. It is a commitment to meeting the needs of students at all stages of their education. The ministry, along with its partners in education have looked comprehensively at the Early Years, the Formative Years, the Transition Years, and the Specialization Years. It is now time for the individual initiatives of learning programs to be brought together. The Ministry will be announcing a process to ensure that an overall strategic framework is in place."³

It is also useful at this point to note the following extract from the New Democratic Party Policy Statement on education as approved by the March 1991 convention:

"New Democrats favour an educational system that decentralizes administrative power to local schools and school boards, provides for local accountability through trustee elections and a small percentage of municipal revenue collection, and reduces the financial burden on local taxpayers by significantly reducing the education portion of the property tax."⁴

This New Democratic Party statement when viewed in the context of other goals of the government could result in a dichotomy. The goals of "equality of outcome" and mandated programs to ensure equity and universality are not always consistent with local control over education! The Ministry of Education will have to determine how to balance the goals of: the stated new mandated programs, enhanced political and fiscal accountability, and a reduced burden on the local tax base!

³Ontario Ministry of Education, Towards Education Finance Reform, 1992.

⁴New Democratic Party, Policy Statements of the 1991 Convention, March 1991.

The Minister of Education statements which tie education restructuring and finance reform to economic recovery and social justice will require difficult decisions for both the provincial government and for local school boards.

"As education is one of the keys to economic recovery, the government is determined to move ahead with an education agenda focused on the needs of all our students. This agenda includes:

- . requiring all school boards to provide half-day junior kindergarten by September 1994.
- . developing provincial benchmarks which will provide standards or reference points for measuring how well our education system helps students learn essential skills, knowledge, concepts, and values. --
- . destreaming Grade 9 by September 1992 --
- . making the option of integration into a local community classroom available to all students with special needs, where in the student's best interests and in accordance with parents' choice."⁵

Economic Renewal

The Ministry of Treasury and Economics report, Ontario Economic Outlook: Meeting the Challenges states the economic policy framework of the government as:

- "Economic renewal means raising living standards and improving working conditions";
- "Ontario must restructure its economy in the direction of higher value-added goods and services";
- "The Government's role in economic renewal is to facilitate and encourage change";
- "Partnership is the key to managing change and achieving productivity gains (good labour management relations)";
- "Economic renewal requires the protection and enhancement of social programs".

Tax Reform: a New System of "Fairer" Taxation

The Fair Tax Commission was established in 1990 to provide the Treasurer with advice on how to design and implement a "fair" tax system. Groups are studying: Corporate Minimum Tax, Tax Treatment of Real Estate Gains, Property Tax, Women and Taxation, Low Income Taxation Relief, Wealth Tax, and Retail Sales Tax/Goods and Services Tax.

⁵Ontario Ministry of Education, 1992-93 Transfer Payments, Memorandum to Chairs of School Boards, January 21, 1992.

Of particular interest to public school boards is the Property Tax group which has been given the mandate to answer these two questions:

"Is the current property tax system capable of meeting the revenue requirements associated with local governments' and school boards' program delivery responsibilities while imposing a fair tax burden on property owners?" If not, what changes should be made to the property tax system and/or other funding sources for local governments and/or school boards to improve fairness in their revenue-raising requirements?"

OPSBA has participants on the Property Tax Working Group and sub-groups of the Fair Tax Commission. The Association is providing direct input and will also prepare a response to any future Property Tax Working Group consultation documents.

The Reform of the Provincial-Local Relationship

The reform of the provincial-municipal relationship is a priority of both the provincial and municipal governments. The intent of the Steering Committee on Provincial-Local Relationships is to "disentangle" or clarify and realign the role of the Province and municipalities in the delivery of programs and services in our communities.

From the municipal perspective, their objective is to "disentangle" municipal governments from any service over which they do not have substantial control. A first objective is to remove the municipal financial contribution to the welfare system. From the provincial government perspective their objectives are to improve fiscal management and service to the public, improve political accountability, and enhance priority setting. It has become apparent that many of the social program improvements, such as an affordable and accessible child care system or welfare reform cannot proceed until the future "relationship" in the funding and delivery of these programs is settled.

The future funding of our education system must be resolved to facilitate the re-alignment of the provincial-municipal council relationship. The Provincial government must know how it is to meet its political commitment to fund sixty percent of elementary and secondary education. Where this money will come from? Will it come from the provincial income tax base? Will it come from some new tax? For example, will the Province, to meet its social policy goals, assume a portion of property taxation and redistribute the funds for education and social services?

All these questions are on the table in both the Fair Tax Commission: Property Tax Working Group discussions and also at the Provincial-Municipal Steering Committee on Provincial-Local Relations.

IV. CONCLUSION

The Ontario Public School Boards' Association has prepared this report to provide a context for its report series. All of these factors must be kept in mind in reviewing:

- Report I: A Framework for the Future: Principles for our Education System (May 1992)
- Report II: Strategic Directions in Education Finance (June 1992)
- Report IV: The Future Responsibilities of our Education System (May 1992)
- Report V: OPSBA's Proposed Education Funding Model(s) (August/September 1992)
- Report VI: The Future Governance of Education (September/October 1992)